

FIRST REGULAR SESSION

HOUSE BILL NO. 194

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES DIEHL (Sponsor), CIERPIOT, HOUGH, NETH, TORPEY,
FLANIGAN, ALLEN, WALKER, JONES (50), HODGES, KRATKY, REDMON, COLONA,
WEBBER AND RIZZO (Co-sponsors).

0081H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to a tax deduction for job creation for new home purchasers.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be
2 known as section 143.145, to read as follows:

143.145. 1. As used in this section, the following terms mean:

2 **(1) “Deduction”, an amount subtracted from the taxpayer’s Missouri adjusted gross**
3 **income pursuant to section 143.121 to determine Missouri taxable income for the tax year**
4 **in which such deduction is claimed;**

5 **(2) “Purchase”, any conveyance to a taxpayer of fee simple ownership interest in a**
6 **qualified principal residence made by deed executed by any person having authority to**
7 **convey the same, or by his agent or attorney, and acknowledged and recorded pursuant**
8 **to chapter 442 after the effective date of this section but before January 1, 2016;**

9 **(3) “Purchase price”, the total price paid by a taxpayer for the purchase of a**
10 **qualified principal residence;**

11 **(4) “Qualified principal residence”, any single-family residence located in the state**
12 **of Missouri, whether detached or attached, that is owner occupied or will be owner**
13 **occupied after purchase by the taxpayer claiming the deduction allowed by this section as**
14 **his or her primary residence, for which construction began and has been completed**
15 **between August 28, 2013, and December 31, 2015, and that has not been previously**
16 **occupied;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (5) “Recapture period”, the two taxable years beginning with the first taxable year
18 following the taxable year in which the taxpayer occupied the qualified principal residence
19 for which a deduction is allowed under this section, except that such recapture period shall
20 be deemed to have expired immediately upon the date of the death of any person deemed
21 a taxpayer under this section;

22 (6) “Taxpayer”, an individual who purchases a fee simple ownership interest in a
23 qualified principal residence during a taxable year and has not previously received a
24 deduction issued pursuant to this section in any taxable year.

25 2. In addition to all deductions listed in this chapter, for taxable years beginning
26 on or after January 1, 2013, and ending on or before December 31, 2015, a taxpayer shall
27 be allowed a deduction for the purchase of a qualified principal residence in this state. The
28 deduction amount shall be equal to the lesser of:

29 (1) One third of the purchase price of the qualified principal residence in this state;
30 or

31 (2) One hundred sixty-six thousand six hundred sixty seven dollars.

32 3. No taxpayer shall claim a tax deduction more than once under this section.

33 4. If the amount of the deduction allowed under this section exceeds the total
34 Missouri adjusted gross income for the taxpayer in the same tax year in which the
35 deduction is allowed without taking into account the deduction allowed by this section, the
36 amount that exceeds the total Missouri adjusted gross income for the taxpayer without
37 taking into account the deduction allowed by this section may be carried forward to any
38 subsequent tax year until the full deduction is claimed.

39 5. If a taxpayer disposes of his or her qualified principal residence for which a
40 deduction was allowed under this section or such qualified principal residence ceases to be
41 the principal residence of the taxpayer (and if married the taxpayer’s spouse) before the
42 end of the recapture period, then any remaining unused deduction shall be cancelled, and
43 the taxpayer shall be subject to an addition to his or her Missouri adjusted gross income
44 of any amount deducted under this section in any preceding tax year. The provisions of
45 this subsection shall not apply in the case of a transfer of a qualified principal residence
46 from an individual taxpayer to a spouse (or to a former spouse if the transfer is incident
47 to a divorce) or from an individual taxpayer to a grantor-trust or a single-member limited
48 liability company owned by the taxpayer.

49 6. The department of revenue shall establish the procedure by which the deduction
50 provided in this section may be claimed and may promulgate rules to implement the
51 provisions of this section. Any rule or portion of a rule, as that term is defined in section
52 536.010, that is created under the authority delegated in this section shall become effective

53 only if it complies with and is subject to all of the provisions of chapter 536 and, if
54 applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of
55 the powers vested with the general assembly pursuant to chapter 536 to review, to delay
56 the effective date, or to disapprove and annul a rule are subsequently held
57 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
58 after August 28, 2013, shall be invalid and void.

59 7. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

60 (1) The provisions of the new program authorized under this section shall
61 automatically sunset December 31, 2015, unless reauthorized by an act of the general
62 assembly; and

63 (2) If such program is reauthorized, the program authorized under this section
64 shall automatically sunset December 31 one year after the effective date of the
65 reauthorization of this section; and

66 (3) This section shall terminate on September first of the calendar year immediately
67 following the calendar year in which the program authorized under this section is sunset.

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